



September 8, 2016

State of California
Department of Transportation
Division of Engineering Services
1727 30th Street, MS 43
Sacramento, CA 95816

Facsimile: (916) 227-6282

Attn: Mr. John C. McMillan, Deputy Division Chief

RE: Hwy 101 Slide Repair near Comminsky Station
Contract 01-0B5004
Bid Date 08/25/16
Bid Protest

Dear Mr. McMillan:

On Thursday, August 25th, 2016, Granite Construction Company (GCC) timely submitted a bid for the above referenced project. O.C. Jones & Sons, Inc. (OCJ) is the apparent low monetary bidder, Ghilotti Construction Company (GHL) is the second low bidder and GCC is the third low bidder. GCC hereby protests the potential award of the Contract to OCJ and GHL because the bids contain a material defect: Both OCJ and GHL failed to list all subcontractors who will perform work in an amount in excess of one-half of 1 percent of their bids or \$10,000 (whichever is greater) in violation of the Subletting and Subcontracting Fair Practices Act of the Public Contract Code.

OCJ and GHL Violated the Subletting and Subcontractor Fair Practices Act and Caltrans' Bid Specifications

The Subletting and Subcontracting Fair Practices Act, California Public Contract Code 4100 et seq. (Subcontractor Listing Law) requires bidders for public contracts to list the name, the location of place of business, and the California contractor license number of each subcontractor who will perform work in an amount in excess of one-half of one percent of the prime contractor's total bid or \$10,000, whichever is greater. Cal. Pub. Contract Code, § 4104(a). The bidder must also set forth the portion of the work that will be done by each subcontractor. Cal. Pub. Contract Code, § 4104(b).

The Subcontractor Listing Law also requires all officers, departments, boards or commissions taking bids for public work or improvements to include the above requirements in the bid specifications. Cal. Pub. Contract Code § 4104.

Accordingly, Caltrans' specifications and Subcontractor List form call for the information required by the Subcontractor Listing Law. Specifically, Caltrans' specifications and Subcontractor List form instructs bidders to submit the following information with the bid: (a) the name, (b) the location of the place of business, (c) the California contractor license number, and (d) the portion of work of each subcontractor who is required to be listed under the Subcontractor Listing Law.

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The purpose of the Subcontractor Listing Law is to prevent the practices of bid shopping and bid peddling that take place after award of the contract. Pub. Cont. Code §4101. The California legislature has determined that such practices often result in poor quality of material and workmanship to the detriment of the public. To help eradicate the practices, the statute requires prime contractors to list their intended subcontractors for designated portions of the work, and also prohibits the use of any other subcontractor for the designated work without first meeting certain legal requirements and obtaining the consent of the awarding authority. Cal. Pub. Contract. Code §4107.

Under the Subcontractor Listing Law, when a contractor fails to properly specify a subcontractor for a particular portion of work, the contractor thereby agrees that it is fully qualified to perform that portion itself, and that the contractor shall perform that portion with its own forces. The contractor is prohibited from thereafter subcontracting that portion of work. Cal. Pub. Contract. Code §4106.

Here, OCJ and GHL did not comply with these mandates. OCJ's total bid amount was \$12,791,500.11. Therefore, OCJ was required to list all subcontractors performing work in excess of \$63,957.50. Based on a review of OCJ's bid documents submitted subsequent to the bid opening, it is clear that OCJ failed to list a subcontractor that was performing work in excess of \$63,957.50 as required under the Subcontractor Listing Law and bid specifications. This same argument applies to GHL which also failed to list a subcontractor as required. Moreover, the work for which OCJ and GHL failed to list the subject subcontract is work that they are not qualified to self-perform in accordance with Standard Specification 59, *Painting*.

In particular, OCJ and GHL did not list any subcontractor to perform Bid Item 102, Clean and Paint Steel Soldier Piling, to perform the required field painting necessary to repair damaged areas of the undercoated surface of the pile. Due to transportation permit constraints, all piling in excess of 105' in length will require field splicing which affects a total of 48 out of the 61 paired piles at the Peregrine Slide Retaining Wall location, necessitating the field welding of stay plates which in normal circumstances would have been performed in the shop, prior to shop priming. The field splicing of the pile, and field welding of stay plates and ground anchor wedges will create damage of the undercoated surface of the pile triggering the following specification requirements:

- **Standard Specification Section 59-2.01D Quality Control and Assurance**, for cleaning and painting structural steel in the field the company performing the work must maintain the specification SSPC-QP 1 in good standing throughout the Contract.
- **Special Provisions Add to Section 59-9.01** Instead of submitting proof of the certification complying with SSPC-QP 1, you may submit documentation showing compliance with section 3 of the SSPC-QP 1.
- **SSPC Qualification Procedure No. 1**
 - **3. General Qualification Requirements (Partial List of Requirements)**
 - **3.2 Technical Capabilities:** The contractor shall provide documented history of performing industrial/marine coating application, and shall provide evidence that it utilizes qualified personnel and appropriate technical resources, equipment, and facilities. Evidence, at a minimum, shall include the following:
 - **3.2.4 Experience, Facilities and Equipment**
 - a. The contractor shall provide a list of current (site based) jobs and jobs recently completed on complex

industrial/marine steel and other metal structures within the previous 18 months that support the contractor's suitability for certification.

- b. The contractor shall provide evidence of successful completion of the company's three most recent industrial painting projects

While both OCJ and GHL are highly qualified and respected general engineering contractors, both companies do not hold the SSPC-QP 1 certification nor do they meet all of the General Qualification Requirements as enumerated in SSPC Qualification Procedure No. 1. On its Subcontractor List form, GCC properly listed Certified Coatings Company to perform this work. GCC received a quote from Certified Coatings Company which is attached for your review showing a total subcontract amount of \$303,975.00 which is well in excess of the 1/2 of 1 percent subcontractor listing requirement.

The Defects In OCJ's and GHL's Bid Were Material

A bid containing a material deviation must be rejected as non-responsive. A deviation in a bid is material if the variation would give the low bidder an unfair advantage over other bidders.

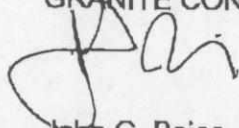
Here, OCJ's and GHL's violations of the Subcontractor Listing Law and Caltrans' bid specifications created an advantage for their respective companies not available to other bidders. The defects in their bids violated minimum State mandates and afforded them with the opportunity to bid shop a significant element the Project and potentially obtain lower pricing to perform the field painting work after bid opening.

Because GCC provided the low, responsive and responsible bid, it should be awarded the Contract. GCC is fully prepared to perform this job in its customary dependable and high quality manner.

Thank you for your time and consideration of this matter. Please feel free to contact me at (707) 467-4107 if you require additional information.

Sincerely,

GRANITE CONSTRUCTION COMPANY



John G. Boies, P.E.
Area Manager

Attachments: Certified Coating Company Proposal Letter
SSPC Qualification Procedure No. 1

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Certified Coatings Company

Member of the Muehlhan Group



August 25, 2016

Listed

Attention Terry Richards:

Regarding: Construction on State Highway in Mendocino County About 1.7 Miles North of
Cominsky Station Road
Contract No. 01-0B5004

PROPOSAL LETTER

Dear Mr. Richards:

Certified Coatings Company is pleased to provide our proposal for the field Clean and Paint Steel Soldier Piling surfaces on the above referenced project. ~~We hold current~~ **SSPC QP1** **Field** certifications as required by Caltrans.

For shop abrasive blasting and priming, we recommend that you contact R&B Protective Coatings in Linden, CA (Tel 209-887-2030), who is SSPC QP3 certified. **Shop**

We are a union contractor and will provide union painters at current wage rates.

Our proposal is for the following items:

Bid Item #	Description	Unit of Measure	Est. Qty.	Unit Price	Extension
102	Clean and Paint Steel Soldier Piling, (partial)	LS	LS	LS	\$303,975.00
Total Lump Sum Bid					\$303,975.00

Bonding can be provided upon request at 1.5% of our subcontract price.

30%

Scope and Specification:

Item 102— Our bid includes spot blasting to clean the welds associated with approximately 96 splices and 1,716 stay plates and one zinc finish coat to the prepared surfaces. General Contractor will provide surfaces to be painted that are free of concrete splatter and residue. Our proposal assumes that we will be able to place our equipment at the immediate location of the work and access the soldier piles by walking on access suitable for our work, provided by the general contractor.

Certified Coatings Company — 2320 Cordelia Road Fairfield, CA 94534
(707) 639-4414 - FAX (707) 432-0574 — e-mail: ccc@muehlhan.com
CSLB No. 887287 DIR No. 1000003187 EEO Employer

If that is not possible, then General Contractor is responsible to provide us alternate access to the surfaces to be painted.

Clarifications and Exclusions:

- Abrasive spot blast cleaning will be performed using CARB certified abrasive for open air blasting and vacuum recovery shrouds to recover the dust and spent abrasive.
- Containment will be limited to ground cover at the base of the soldier pile.
- Repair of deficient shop-applied coatings is the responsibility of others.
- Costs associated with repair of damaged coatings caused by others are the responsibility of others.
- Removal of any material that would affect the adhesion of the top coats or as directed by the GC/Caltrans that cannot be removed by the specified cleaning, including concrete splatter/residue is the responsibility of others.
- Our bid is based on doing the work in one mobilization. Costs associated with delays or additional mobilizations are the responsibility of others.
- Traffic control to allow us to access our work is to be provided by others at no cost to Certified Coatings.
- General Contractor to provide sanitary facilities as required by CalOSHA.
- Secure lay-down area and parking area for Certified Coatings' vehicles, material and equipment storage to be provided by General Contractor at no cost to Certified Coatings.
- Painting during inclement weather is not anticipated and costs associated with heat or enclosures to control the environment are the responsibility of others.
- General Contractor agrees not to negotiate change orders affecting our work with Owner without first getting our input as to affect on our work.
- This proposal becomes an attachment to any subcontract resulting from this proposal.

This bid is valid for 45 days.

If there are any other bid items you feel should include field painting, or if you require further clarification or modifications to this bid proposal, please call us at (707) 639-4414.

Sincerely,



John Faulkner
Estimator



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March 1, 2012
Editorial Revision March 16, 2015

SSPC: The Society for Protective Coatings Qualification Procedure No. 1

Standard Procedure for Evaluating the Qualifications of Industrial/Marine Painting Contractors (Field Application to Complex Industrial Steel Structures and Other Metal Components)

1. Scope

1.1 This procedure describes a method for evaluating the primary qualifications of industrial/marine painting contractors and defines a minimum standard for qualification.

1.2 The purpose of this procedure is to determine whether a contractor:

- a. Has a corporate organization that clearly defines the authority and responsibilities of positions typically required for operation of an industrial/marine coating contracting firm;
- b. Employs qualified management and utilizes qualified craft personnel and other workers;
- c. Has established and implemented a quality management system meeting requirements of Sections 3.3.2 and 3.3.3;
- d. Has established and implemented a written worker safety and health program meeting requirements of Section 3.4.1 and 3.4.2 and any project-specific requirements;
- e. Has established and implemented environmental protection procedures meeting requirements of Section 3.4.3 and any project-specific requirements;
- f. Demonstrates knowledge of industry technical standards and good painting practice.

1.3 This procedure encompasses the field application of protective coatings for corrosion control in the industrial, marine, highway, municipal, military and other sectors where steel structures and other metal components are protected. Specialty applications, such as thermal spray metallizing, coating and surfacing of concrete, bituminous products, galvanizing, and handling, managing and containing of hazardous materials and debris are not covered by the requirements of this standard procedure. SSPC has developed additional contractor qualification procedures to evaluate firms who perform thermal spray metallizing (QP 6), install polymer coatings and surfacings over concrete (QP 8) and who perform hazardous paint removal, such as deledding of industrial structures prior to protective coating application (QP 2).

1.4 This procedure encompasses surface preparation and coating application and related operations conducted on steel or other metal structures in the field, or maintenance coating of structural steel or other metal components in laydown areas.

AISC 420-10/SSPC-QP 3 "Certification Standard for Shop Application of Complex Protective Coating Systems," covers coating operations on newly fabricated steel performed exclusively at a fixed shop facility. See Section 8 of this standard procedure.

2. Description

2.1 DEFINITIONS:

Auditor: 1) The person or persons performing audits on behalf of the qualifying agency. 2) The person(s) possessing the necessary technical and quality system auditing skills to review contractor submittals, conduct on-site audits of applicants, and report findings to the qualifying agency's program administrator in compliance with the requirements of this procedure and the written requirements of the formal audit program.

Complex Structure: Industrial steel or other metal structures containing a variety of shapes and configurations, such as metal producing and rolling mills, ships and other marine vessels and structures; bridges and towers; processing facilities, including chemical and petrochemical processing plants and distribution facilities; pulp and paper mills; power generation plants and substations, food and beverage plants and terminals, water processing and waste treatment facilities; storage tanks, and other industrial and marine steel or other metal structures. Complex structures also include any other metal components affixed to the structure such as truss beams and support structures, etc.

Contractor: A firm whose business is providing surface preparation and coating application and related services for corrosion control in the industrial and marine sectors.

Environmental, Health and Safety Manager: A qualified employee designated by executive management who is responsible for management, maintenance, and enforcement of the contracting company's plans for compliance with applicable safety, health and environmental regulations (see Section 3.3.1.3).

Field Application: Surface preparation and application of coatings to steel or other metal structures in the field such as tanks, ships, or bridges or maintenance coating of structural components or equipment located in a laydown area.

Loss Control: Multidisciplinary approach in which human, engineering, and risk management practices are employed to reduce the frequency or severity of losses.

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Procedure: The written sequence of steps taken to carry out a particular course of action.

Qualification: The procedure by which written assurance is given that a contractor conforms to the prescribed set of conditions or requirements of this standard procedure.

Qualifying Agency: An organization (e.g., certifying agency or facility owner) responsible for sponsorship or operation of a program to ensure uniform compliance with the provisions of a standard.

Quality Control Inspectors: Persons designated to perform quality control inspections in the field in accordance with any contract requirements and the contractor's quality program (see Section 3.3.1.2).

Quality Control Supervisor: A qualified employee designated by executive management who is responsible for implementation and maintenance of the firm's quality management system for coating and lining operations (see Section 3.3.1.1).

2.2 TYPES OF STRUCTURES: Complex structures and components encompass a wide range of structural steel and other metal types and configurations. Although the required evaluation functions are similar for all complex structures, the specific skills (e.g., rigging or pollution controls) are frequently quite different for painting a bridge or painting a process facility or an ocean-going vessel.

Some examples of industrial/marine structures for which specific skills are often associated are listed below:

- Marine/splash zone: These include structures proximate to and remote from both coastal and inland shorelines:
 - Proximate includes waterfront structures, locks, dams, ship hulls, flight decks, tanks and voids, bulkheads, piers, pilings, etc.
 - Remote includes offshore platforms and structures, etc.
- Bridges and towers
- Metal and manufacturing facilities
- Chemical and processing facilities: These include chemical and petrochemical plants, pulp and paper mills, food and beverage plants, and water and waste treatment facilities and related storage and distribution facilities.
- Power generation and distribution facilities

2.3 FUNCTIONS TO BE EVALUATED: The procedure identifies four functional areas to be evaluated: Management Procedures; Technical Capabilities; Job Quality Monitoring; and Safety, Health and Environmental Compliance. General requirements for each of these function areas are presented in Section 3.

2.4 EVALUATION PLANNING: The qualifying agency must develop criteria and/or rating plans to evaluate each contractor against this standard. The qualifying agency shall also determine which of the specific items deemed critical within the four functional areas are to be evaluated for

subsequent follow-up evaluations, ensuring the items evaluated are the same for all contractors. The sequence of steps for conducting an evaluation within a certification program is outlined in Section 4. The initial evaluation, in each instance, will be performed by the auditor and must include observation of the contractor's operational capability on an active industrial/marine painting project under contract.

3. General Qualification Requirements

3.1 MANAGEMENT PROCEDURES: Procedures shall exist for disseminating company policy and for personnel, administrative and financial management as follows:

3.1.1 Contractor Policy: The contractor shall have:

- a. Written policies stating its commitment to quality work, worker safety and health and environmental compliance.
- b. Written procedures for disseminating company policies to employees and those personnel working under its direction. The contractor shall show that procedures are followed.

3.1.2 Organization and Personnel: The contractor shall have:

- a. A company-approved organization chart (updated as changes occur, signed, and dated by the responsible company executive (RE) showing division of responsibility within the contracting firm by name of person and title. Documentation and observation must show that responsibilities are carried out in accordance with the organization chart. Key management personnel (e.g., production manager, quality control supervisor, and safety and environmental manager) shall be full-time employees of the contracting firm and report to the RE.
- b. A list of names, titles, duties, and job descriptions for key personnel (management, technical, quality control, safety, health and environmental compliance). The job descriptions shall state the experience, licenses, certifications and training and refresher training required for each position.

3.1.3 Administrative and Management Procedures: The contractor shall provide:

- a. A brief written description of the contractor's method of financial record keeping.
- b. Written confirmation by a CPA firm or equivalent accounting professional that the contractor's operating accounting systems and procedures follow established and accepted accounting practices and principles.
- c. Documentation of review of contract specifications.
- d. Procedures implemented by management to review and distribute specifications to all employees who manage and effect projects.
- e. Written procedures that have been established and implemented for learning about and complying with

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federal, state and local administrative, environmental protection, worker health and safety regulations applicable to projects performed by the contractor. A person in the organization shall be assigned the task of keeping track of new, revised and withdrawn regulations and informing the CEO and/or other management personnel of the impact of regulatory changes on the company's operations.

- f. Information that it is a legally viable entity in the locations in which it operates. Examples include: filing of appropriate company ownership/incorporation papers; filing of federal tax returns in a timely manner; Federal Tax ID/EIN statement; holding current state and/or local business licenses and maintaining valid insurance coverage; and other evidence as required.
- g. Documentation that approved subcontractors are selected on the basis of their ability to assist the contractor in meeting project requirements and any specific inspection requirements. The contractor has overall and ultimate responsibility to maintain all QP 1 requirements when delivered directly by subcontractors.
- h. Keep records of citations or fines concerning any and all federal, state, and local worker safety and health, wage and hour, tax, and other applicable code or governing regulations, and document that actions are taken to avoid repeat violations.

3.2 TECHNICAL CAPABILITIES: The contractor shall provide documented history of performing industrial/marine coating application, and shall provide evidence that it utilizes qualified personnel and appropriate technical resources, equipment, and facilities. Evidence, at a minimum, shall include the following:

3.2.1 Craft Worker Qualifications: The contractor shall have a written craft worker assessment and proficiency monitoring program that defines procedures the company uses to initially qualify, train and at least annually evaluate and document the proficiency of all craft workers (i.e., persons performing repairs, surface preparation and coating and lining application) under its supervision. The worker assessment program must meet the performance requirements of Mandatory Annex A and evidence of its implementation must be documented.

3.2.2 Technical Resources:

- a. The contractor shall provide a list of technical societies, trade associations, or other industry groups (universities, major manufacturers, consultants) with which it is associated. Current membership certificates or correspondence shall be available at the home office location(s) to verify these associations.
- b. The contractor shall maintain a library of current technical standards (e.g., ASTM International,¹ SSPC,

American Petroleum Institute,² American Water Works Association,³ NACE International⁴), technical bulletins, publications, product data sheets, SDSs and other technical references invoked by procurement documents (project specifications).

3.2.3 Procedures: The contractor shall have written procedures that it uses to convert awarded contracts into field work orders, job work plans, instructions to craft workers, etc. These include procedures for:

- a. Logging receipt of specifications and revisions and recording recipients, as well as removing obsolete or superseded documents from the workplace.
- b. Documenting communication or meeting notes or pre-job conference discussions, which note exceptions to specifications, omissions, errors, conflicting requirements or other clarifications prior to beginning work.
- c. Communicating specification requirements to field crews and their supervisors.
- d. Quality control programs. Work procedures shall specifically define quality control methods and criteria (see Section 3.3.2 below).
- e. Process Control Procedures or Work Plans (see Section 3.3.2 below).

3.2.4 Experience, Facilities, and Equipment:

- a. The contractor shall provide a list of current (site based) jobs and jobs recently completed on complex industrial/marine steel and other metal structures within the previous 18 months that support the contractor's suitability for certification. The list shall include the following:

- Name, address, and principal contact(s) of facility owners, general contractors, or other clients, including specific contact information (e.g., cell phone, landline phone, email address, mailing address).
- Scope of coating and lining work performed
- Product names of materials used (e.g., abrasives and applied coatings and linings)
- Equipment used for surface preparation and coating and lining operations
- Types and number of personnel used to supervise and perform the work
- Special requirements or special provisions (e.g., extraordinary safety or environmental compliance requirements; traffic control; other job-related restrictions).

- b. The contractor shall provide evidence of successful completion of the company's three most recent industrial painting projects. Examples of evidence include: copies of current evaluations of the applicant

¹ ASTM International, 100 Barr Harbor Drive, West Conshohocken, PA 19428-2959

² American Petroleum Institute (API), 1220 L St. NW, Washington, DC 20005-4070.

³ American Water Works Association (AWWA), 6866 W. Quincy Avenue, Denver, CO 80235..

⁴ NACE International, 1440 South Creek, Houston, TX 77084-4908.

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contractor by facility owners; letters of commendation; statements confirming final payment and acceptance of work or equivalent documentation.

- c. The contractor shall notify the qualifying agency of any contracts that it failed to complete due to default, or cause, and explain the cause.
- d. The contractor shall notify the qualifying agency of any project that has entered litigation or arbitration and explain the cause.
- e. The contractor shall notify the qualifying agency of any disbarments, disqualifications due to defective work, termination for cause, unsatisfactory performance, regulatory non-compliance, fraud, illegal activities, or any legal actions concerning alleged business operation violations.
- f. The contractor shall provide written description of preventive maintenance (PM) and repair procedures for equipment used, including PM and repair logs.

3.3. JOB QUALITY MONITORING: The contractor must demonstrate that it uses qualified personnel and proper inspection and recording procedures for job quality control. Documentation shall be provided that shows objective evidence of conformity to contract requirements and good painting practices.

3.3.1 Personnel Qualifications: The contractor shall demonstrate that personnel performing quality control and related functions are trained and qualified and have written authority from executive management to perform their jobs.

3.3.1.1 Quality Control Supervisor: The contractor must designate a qualified employee to perform the duties of a Quality Control Supervisor (QCS) to manage the coating contractor's quality monitoring processes. The QCS must have at least three years of protective coatings industry experience and must have successfully completed the SSPC Quality Control Supervisor Course, and SSPC BCI or PCI Level 2 or NACE CIP Level 2 certification or equivalent third-party certification acceptable to the qualifying agency.⁵

3.3.1.2 Quality Control Inspectors: Unless more stringent requirements are specified by the owner's project specification or stated in the contractor's Quality Manual, persons designated by the contractor to perform quality control inspections in the field must have at least two years field experience in protective coatings and have successfully completed a training course approved by the qualifying agency. The course shall require 24 hours minimum contact time, including hands-on training and an assessment [test] that covers subjects for coating inspection described in ASTM D 3276 applicable to the contractor's scope of work. Prior to assigning an inspector to a project, the contractor shall verify that the inspector has the physical (including visual) capability to perform required inspections.

3.3.1.3 Environmental Health and Safety Manager: The contractor must designate a qualified employee as an Environmental Health and Safety Manager (EH&S Manager) qualified by training and experience to manage the company's environmental, health and safety programs. The EH&S Manager shall be the primary author of the contractor's corporate safety program approved by executive management or shall have successfully completed training from one of the following:

- OSHA-500 training (for marine industry, OSHA 501 or 5400 training)

OR

- A minimum of 40 contact hours of equivalent training covering body of knowledge in OSHA-500 course (for marine industry, OSHA 501⁶ or 5400 training)

OR

- A minimum of 40 contact hours of training covering those elements listed in Section 10 of SSPC-Guide 17 applicable to the contractor's operations. The EH&S Manager shall also have at least 3 years of experience in industrial painting safety or related construction safety.

AND

- Shall be the primary author of, or have documented training on, the contents of the company's Environmental Compliance Program approved by executive management (see Section 3.4.3).

3.3.2 Inspection Procedures and Recording Systems: The contractor must demonstrate that:

- a. Applicable standards and specifications for coating inspection work are available to and used by field personnel.
- b. An implemented system for maintaining and filing complete and accurate daily in-process inspection reports showing objective evidence of compliance with contract requirements and contractor's quality procedures is in place.
- c. Unless more stringent requirements are specified or stated in the contractor's Quality Manual, calibration verification of instruments used for inspection is performed and documented in accordance with either the equipment manufacturer's instructions or industry standards.
- d. Logs are maintained to ensure nonconforming work is identified as it occurs, documented, and repaired or otherwise addressed as determined by the facility owner or authorized representative.
- e. Standard company or contract-specific procedures are available to and used by on-site personnel for verifying that coating and related operations are performed in accordance with contract requirements and industry best practices.
- f. Inspection procedures or project-specific inspection plans ensuring that each major operation (e.g., surface preparation, primer, intermediate and topcoat

⁵ Persons who have been employed as the QCS of a contractor certified to the 2008 version of SSPC-QP 1 Section 3.3.1 prior to the effective date of this revision of QP 1 will be accepted.

⁶ For more information about OSHA training, visit http://www.osha.gov/dtc/ocenters/course_list.html

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application) is properly performed and documented on a daily basis during coating operations or documented in accordance with contract requirements, are available to on-site personnel, and are used to perform in-process inspections of work at key hold points.

- g. Requests for changes or deviations from contract requirements are documented and processed through appropriate channels for approval by the owner prior to the contractor implementing the requested changes or deviations. The contractor must maintain copies of notices or correspondence showing that deviation requests and changes have been accepted by the facility owner or designated representative.
- h. In-process and final inspection records are retained for a minimum of three years after project completion, unless a longer term is required by contract.

3.3.3 Corrective Action Procedures: The contractor shall document actions taken by management to eliminate recurring nonconformities. These actions include identification of the root cause of recurring nonconformities, implementing changes to company procedures and practices to improve production and quality, and follow-up to ensure implementation has been effective.

3.4 ENVIRONMENTAL, HEALTH AND SAFETY COMPLIANCE: The contractor shall implement a written compliant safety and health program as required by governmental occupational safety and health and environmental regulations and by client requirements applicable to its operations. The plan shall be reviewed and approved in writing by the contractor's Environmental, Health and Safety Manager and by the responsible company executive (RE) at least annually. The contractor shall keep track of its compliance with regulations and take corrective action, when necessary, to comply with applicable regulations violated by the company.

3.4.1 Safety Procedures and Record-Keeping Systems: The contractor shall maintain safety records and have access to safety resource material as follows:

- a. Document all safety education meetings (such as toolbox talks and related worker training activities).
- b. Show that field crew competent persons perform and document project-specific hazard identification and analysis, and provide documented notification of results to all site-specific crews on a routine and as needed basis.
- c. Report accidents in accordance with federal, state and local regulations, contract requirements, qualifying agency requirements, or other applicable requirements.
- d. Provide documentation (e.g., meeting minutes, evidence of revisions to safety program) that executive management and key personnel evaluate at least annually and after any serious occurrence, the effectiveness of the company's safety, health and loss control program.

- e. Ensure that safety procedures (such as field copies of safe operating procedures for all major surface preparation and coating application equipment) are available for field reference by personnel operating specialized equipment.
- f. Provide field personnel with adequate personal protective equipment (PPE) and ensure PPE is correctly used and maintained.
- g. Make provisions (e.g., communication; transportation) during pre-job planning to provide prompt CPR and first aid and medical attention in an emergency in accordance with applicable regulations and company safety rules.
- h. Enforce all safety rules.
- i. Maintain copies or access to applicable environmental, health and safety regulations and current or project-specific safety and health program on each job site.

3.4.2 Resource Materials:

- a. Maintain a written procedure for acquiring safety information and materials.
- b. Maintain a written procedure to ensure that safety information and materials referenced in submittals are available to on-site personnel.

3.4.3 Environmental Compliance: The applicant shall have written procedures for general environmental compliance conditions such as, but not limited to: proper disposal of paint and solvent waste; proper disposal of wastewater; use of VOC-compliant materials; and testing for the presence of hazardous (heavy) metals. Environmental compliance procedures for hazardous paint debris such as lead-based paint are covered under SSPC-QP 2.

4. EVALUATION SEQUENCE

4.1 SUBMITTAL OF WRITTEN APPLICATION PACKAGE: The initial step is to request an application form and instructions. The completed application form, along with an application fee and required submittals shall be submitted to the qualifying agency.

4.2 REVIEW OF APPLICATION PACKAGE: The qualifying agency's certification manager reviews the contractor's application package, using guidelines for evaluation established by the qualifying agency. The evaluation items are based on Section 3 above.

4.3 INITIAL AUDITING OF CONTRACTOR: Subject to satisfactory evaluation and acceptance of the application package referred to above and on dates mutually agreed upon by the contractor and the qualifying agency, the qualifying agency will visit the contractor's business offices and job site(s) where industrial or marine surface preparation and coating application is in progress on a steel or other metal structure to perform an audit of the contractor's Quality Programs to verify

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(through sampling) conformity with the requirements of this standard procedure.

4.4 EXIT INTERVIEW: Following the audit, and before the auditor leaves the site, an exit or closing interview will be held with an officer of the company or an employee designated by company executive management. At the exit interview, the auditor will review findings with the contractor, including discussions of concerns, corrective actions or deficiencies and omissions, if any. A written list of deficiencies and omissions will be provided to a supervisor and/or officer of the company, who will be asked to confirm receipt of the list. Every attempt will be made by the auditor during the exit interview to fully explain audit findings. Failure of the supervisor and/or officer of the company to acknowledge in writing receipt of the audit finding report will render the audit incomplete, and shall result in suspension, revocation or denial of certification.

4.5 EVALUATION OF APPLICATION AND DETERMINATION OF STATUS: At the conclusion of the evaluation process, the auditor will report the findings to the qualifying agency's audit manager and program administrator, who will make the final decision regarding the contractor's status based on the following options:

4.5.1 Qualify: The qualifying agency has determined that the contractor has met or exceeded the requirements of the audit program. The qualifying agency will make final determination of the contractor's qualification status based on the audit findings and any disciplinary or other evaluation criteria defined in the program rules. Upon review of all information, the qualifying agency will issue a certificate identifying the contractor by name and by location of the contractor's home office acknowledging compliance with this procedure and other administrative requirements. Once certified to this standard, the contractor shall reapply for renewal of qualification annually and undergo any submittal reviews or audits required by the qualifying agency to maintain certification to this standard.

4.5.2 Withhold Qualification: Based on audit findings and other factors, the qualifying agency has determined that the contractor has not met the requirements of this standard procedure. If qualification is withheld, the qualifying agency shall formally notify the contractor of the reasons for withholding qualification. The contractor will be allowed up to 45 days after written notification to submit a corrective action plan acceptable to the qualifying agency, and request an audit to verify that nonconformities in the quality system have been identified, root causes have been analyzed and a formal corrective action plan has been implemented to update the quality plan to avoid repeating the system nonconformities that led to denial of qualification.

4.6 METHOD OF APPEAL: If a contractor disputes the audit findings, the contractor has the right to appeal, using the following steps of recourse:

- The contractor shall appeal to the qualifying agency's certification manager in writing within 10 working

days after the exit interview, identifying the specific reasons for contesting the findings.

- The qualifying agency will evaluate the written appeal and notify the contractor of the evaluation results in writing within 30 calendar days of receipt of the appeal submission. Appeal evaluations will result in either acceptance or denial of the appeal.
- If the contractor disputes denial of the appeal, the Contractor can continue the appeal process by requesting an informal conference in writing within 10 business days of an appeal denial. The time and location of the informal conference shall be determined by the qualifying agency.
- In the event the foregoing steps fail to resolve the dispute, a mutually agreed-upon arbitration panel consisting of three persons (one person chosen by the contractor, one by the qualifying agency, and one agreed upon by both parties) with knowledge of protective coating operations will convene to hear evidence and make a final, binding decision. If the arbitration panel finds for the contractor, the cost of all fees and expenses of the arbitration panel members will be shared by the contractor and the qualifying agency. If the arbitration panel does not find for the contractor, the contractor will be responsible for payment of all fees and expenses. Any other costs incurred by any party to the dispute will be borne by that party.

4.7 RECONFIRMATION OF QUALIFICATION:

4.7.1 Internal Audit: The contractor shall at its own expense perform at least one annual internal audit of its QP 1 Quality System, based on the requirements of this standard procedure, following initial qualification. The results of this Internal audit shall be retained on file by the contractor, and made available to the auditor upon request during any announced or unannounced external qualifying agency audits.

4.7.2 Reconfirmation of Qualification – Owner Comments: Owners for whom the contractor performs work will be given an opportunity to comment on the qualified contractor's performance by completing an owner comment form provided by the qualifying agency. Comments will be in the form of replies to specific questions asked of owners regarding performance on specific jobs. All owner replies will be treated as confidential.

4.8 REVOCATION: Failure to satisfactorily complete the annual internal audit, pass announced or unannounced external audit(s), cooperate with the auditor or qualifying agency manager, or adhere to disciplinary or administrative criteria established by the qualifying agency will be cause for suspension, revocation or denial of certification.

4.9 QUALIFICATION PERIOD: The qualifying agency will require that the contractor's qualification be reaffirmed annually subject to successful completion of internal or qualifying agency

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audits (or both) as well as compliance with administrative and disciplinary requirements. Announced or unannounced audits by the qualifying agency shall be conducted at the contractor's office and/or active job site at the qualifying agency's discretion.

4.10 QUALIFYING AGENCY FILES: The qualifying agency will maintain a list of certified contractors. Information submitted by owners and users who have used the contractor's services will also be maintained. This information will assist in the validation process during the certification term.

All information gathered will be used only for purposes intended. Information determined to be proprietary, such as audit findings and other non-public information, will be treated as confidential.

5. Disclaimer

5.1 This is a consensus standard developed by SSPC: The Society for Protective Coatings. While every precaution is taken to ensure that all information furnished in SSPC guides and standards is as accurate, complete, and useful as possible, SSPC cannot assume any responsibility, nor incur any obligation, resulting from the use of any materials or methods specified therein, or of the procedure itself.

5.2 This procedure does not attempt to address all problems concerning safety and health associated with its use. The user of this procedure, as well as the user of all products or practices described herein, is responsible for instituting appropriate health and safety practices and for ensuring compliance with all applicable governmental regulations.

B. Note

SSPC has developed a set of contractor qualification procedures and supporting administrative certification programs that supplement this standard in order to confirm a contractor's ability to carry out specialty processes. These include but are not limited to "Standard Procedure for Evaluating the Qualifications of Painting Contractors to Remove Hazardous Paint" (SSPC-QP 2); "Certification Standard for Shop Application of Complex Protective Coating Systems," (AISC 420-10/SSPC-QP 3); "Standard Procedure for Evaluating the Qualifications of Contractors who Apply Thermal Spray Metallizing for Corrosion Protection," SSPC-QP 6; "Standard Procedure for Evaluating the Qualifications of Contractors who Install Polymer Coatings and Surfacing on Concrete," (SSPC-QP 8); and "Standard Procedure for Evaluating a Contractor's Advanced Quality Management System," (SSPC-QS 1).

More information on these and other SSPC qualification programs are available at <http://www.sspc.org> (click on "certification").

Mandatory Annex A – Craft Worker Qualifications

A.1 APPLICATOR CERTIFICATION

Where abrasive blasting and/or spray application is being performed for atmospheric and immersion service, contractors

certified to this procedure shall comply with the CAS QP 1 implementation plan in effect at the time of the audit unless the facility owner specifies other certification requirements or waives the CAS requirement.⁷

A.2 CONTENTS OF THE PROGRAM - GENERAL TRAINING AND QUALIFICATION REQUIREMENTS *

*These requirements apply to personnel who have not been certified as described in Mandatory Annex Section A.1 above.

Newly Hired Experienced Craft Workers⁸

The program shall contain provisions to administer written tests and/or a hands-on evaluation to assess the skills of new hires that claim to have previous experience, or verify previous qualifications through a formal training or qualification program

(1) When written tests are used, they shall include information that the contractor determines to be necessary to verify the general knowledge of the trade and the qualifications of the individual tested to perform work assigned. While it is left to the contractor to create or use the test that works best for its business, the contractor shall show that the questions and answers are based on training materials, or standards or publications developed by SSPC, ASTM, PDCA,⁹ the IUPAT¹⁰ or its affiliates; NCCER,¹¹ or materials developed by another organization, that are acceptable to the qualifying agency.

(2) Hands on Skill Evaluation – At minimum, abrasive blasters shall be qualified using the SSPC C-7 hands-on skill assessment protocol for testing blasters or an equivalent hands-on evaluation, acceptable to SSPC. The hands on evaluation can be done in a controlled qualification session in the shop or yard or in the field at an actual production site. The C-7 skills assessment form is available from SSPC.

(3) Spray painters shall be qualified per the contractor's Quality Control Procedures Manual using industry accepted qualification procedures from one or more of the sources listed in (1) above.

(4) Specialty skill qualifications for such processes as UHP water jetting, thermal spray metallizing, or plural component spray shall be developed in house (or outsourced) based on material or equipment supplier best practices when industry standard training or training materials do not exist.

(5) Craft workers previously trained or qualified by a company who have been laid off or who have left to work for

⁷ Information on CAS requirements is available at <http://www.sspc.org/qp-programs/qp-for-contractors/CAS-for-QP-1-Contractors>

⁸ A craft worker is one who performs surface preparation and/or applies coating materials.

⁹ Painting and Decorating Contractors of America (PDCA), 3913 Old Lee Highway, Suite 33B, Fairfax, VA 22030.

¹⁰ International Union of Painters and Allied Trades (IUPAT) 1750 New York Avenue, NW, Washington, DC 20006.

¹¹ National Center for Construction Education and Research (NCCER), P.O. Box 141104, Gainesville, FL 32614-1104

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another contractor, only to return to work for that company within a two year period need not be re-qualified to update assessment of their skills.

Trainees

General training for trainees shall be based on training materials or programs developed by SSPC, PDCA, the IUPAT or its affiliates; NCCER, or equivalent materials, acceptable to the qualifying agency.

A.3 QUALIFICATION TO APPLY SPECIFIC MATERIAL AND USE NEW EQUIPMENT

The program shall contain procedures to qualify craft workers to apply materials or use equipment unfamiliar to the craft worker. The program shall be based on training materials or programs developed by material or equipment suppliers, SSPC, PDCA, the IUPAT or its affiliates, or NCCER, or on equivalent materials acceptable to the qualifying agency. The program shall also document that the workers have been qualified/trained.

A.4 QUALITY CONTROL OR TRAINING MANAGER

Each contractor shall formally designate one or more persons to be responsible for implementation of the company's craft worker training and qualification program and monitoring its effective use in the field.

The Quality Control or Training Manager shall have sufficient technical knowledge and documented training in the use of specific materials and equipment.

A.5 ANNUAL PERFORMANCE EVALUATION

The contractor shall have implemented procedures and documentation to show that its production supervisor evaluates each craft worker's performance at least annually.

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RE: BID PROTEST	Your Reference Number:
<input checked="" type="checkbox"/> Urgent	<input checked="" type="checkbox"/> For Review
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Thank you.